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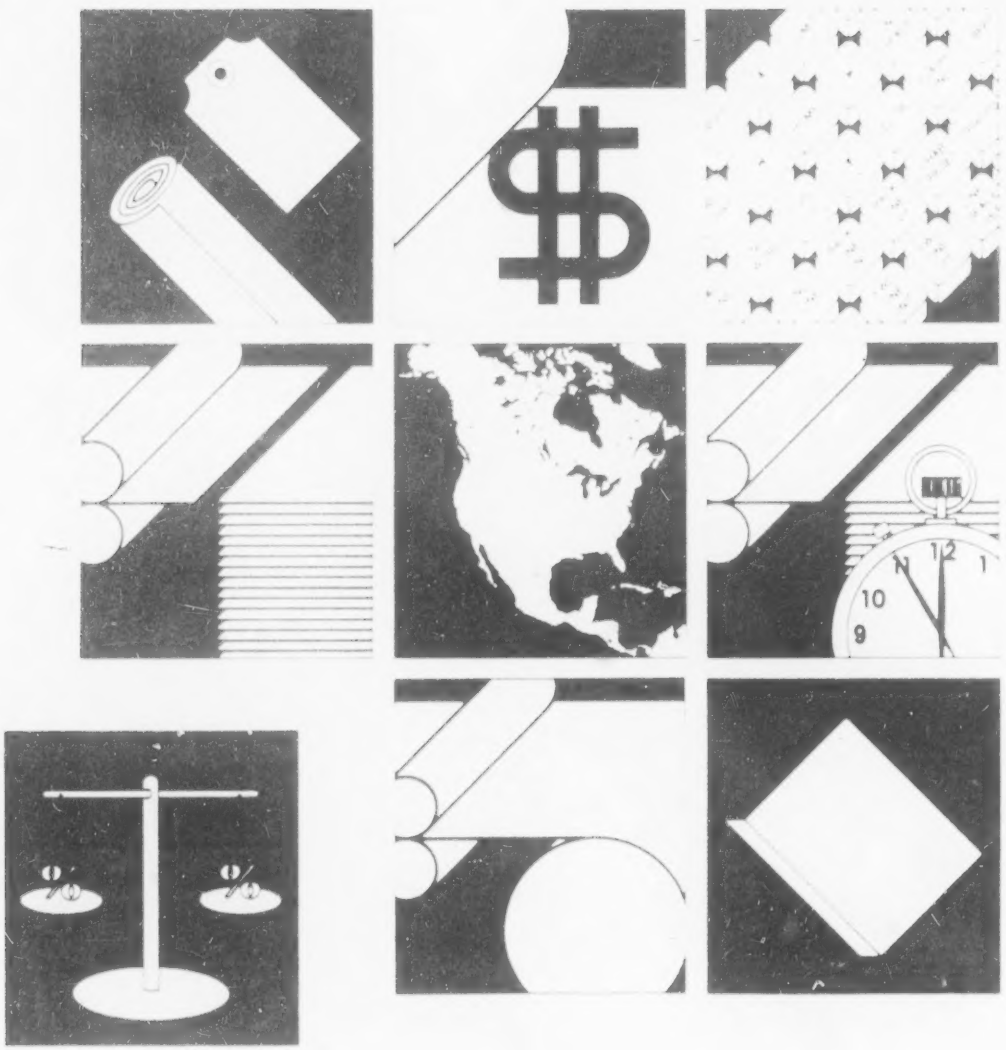
1987 Financial Ratio Study



Volume XIV

Quick Printers' Ratios

1987
FINANCIAL
RATIO STUDY

Volume XIV: Quick Printers' Ratios

An Annual Financial Survey Conducted By:
Printing Industries of America, Inc.
PIA Member Programs Services
1730 North Lynn Street
Arlington, VA 22209

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PRINTING INDUSTRIES OF AMERICA, INC.

1730 North Lynn Street, Arlington, VA 22209 (703) 841-4805

1987 is the 64th year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addreses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES
PHILADELPHIA
NEW YORK

Dear Quick Printers:

H. R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 933 graphic arts firms of various types took part in the 1987 study. This particular volume is the result of financial information contributed by 23 Quick Printers across the United States and Canada.

To help readers compare their own financial statements to those of other quick printing firms, the data is presented here by sales volume - for example, sales to $250,000, sales from $250,000 to $500,000, etc. Readers can compare their firm's operations with other firms having the same sales volume in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

The importance of sharing this type of information among members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H. R. Margolis Company

H. R. MARGOLIS COMPANY

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REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	13.91	10.83	14.46
Other chargeable materials	4.17	2.18	4.04
Outside services	9.06	11.97	9.55
TOTAL MATERIALS	27.14	24.98	28.05
FACTORY PAYROLL	27.10	22.39	29.98
FACTORY EXPENSES	20.78	18.01	22.91
TOTAL FACTORY COST OF PRODUCT	75.02	65.38	80.94
GROSS PROFIT	24.98	34.62	19.06
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	14.87	12.44	15.99
Selling expenses	8.64	10.76	10.72
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.51	23.20	26.71
INCOME (LOSS) BEFORE INTEREST EXPENSE	1.47	11.42	(7.65)
Interest expense	1.81	0.23	3.52
OPERATING INCOME (LOSS)	(0.34)	11.19	(11.17)
Other income (expense)	(0.22)	0.51	0.80
INCOME (LOSS) BEFORE INCOME TAXES	(0.56)	11.70	(10.37)

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.70%	0.22%	0.74%
Film	0.72	0.49	1.02
Plates	0.88	0.84	1.18
Other chargeable materials	1.87	0.63	1.10
TOTAL OTHER CHARGEABLE MATERIALS	4.17	2.18	4.04
OUTSIDE SERVICES			
Composition	1.27	0.12	1.81
Offset preparation	0.33	0.07	0.04
Printing	5.73	11.18	4.81
Binding	0.71	0.45	0.93
Other outside services	1.02	0.15	1.96
TOTAL OUTSIDE SERVICES	9.06	11.97	9.55

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000		SALES FROM $5,000,000-$10,000,000**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
15.77	12.80	12.37	7.96
4.22	3.71	1.68	3.87
9.08	10.89	17.28	5.44
29.07	27.40	31.33	17.27
28.54	21.74	19.75	27.69
21.78	16.45	15.66	22.62
79.39	65.59	66.74	67.58
20.61	34.41	33.26	32.42
13.77	16.51	11.67	13.20
5.31	11.82	11.26	9.77
19.08	28.33	22.93	22.97
1.53	6.08	10.33	9.45
1.53	1.48	0.46	0.66
0.00	4.60	9.87	8.79
(1.90)	1.80	0.88	0.16
(1.90)	6.40	10.75	8.95
0.60%	0.49%	0.33%	1.26%
0.62	0.52	0.24	0.69
0.75	1.09	1.11	0.19
2.25	1.61	0.00	1.73
4.22	3.71	1.68	3.87
1.72	0.13	0.23	0.10
0.50	0.16	0.00	0.68
5.18	9.68	16.85	3.90
0.65	0.78	0.20	0.38
1.03	0.14	0.00	0.38
9.08	10.89	17.28	5.44

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	4.33%	4.16%	5.66%
Direct wages	17.54	12.96	20.84
General factory salaries and wages	1.30	0.76	0.00
Packing, shipping and delivery wages	0.47	0.52	0.00
Payroll taxes	2.06	1.57	2.27
Employee benefits	1.40	2.42	1.21
TOTAL FACTORY PAYROLL	27.10	22.39	29.98
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.00	0.00	0.00
Depreciation - other	5.29	2.44	4.62
Taxes - real estate	0.06	0.00	0.00
Taxes - other	0.16	0.03	0.07
Insurance	0.98	0.84	1.53
Building rent	4.70	4.07	6.96
Utilities - heat, light, etc.	1.11	0.84	1.18
Equipment rental	3.88	4.97	3.89
Total Fixed Expenses	16.18	13.19	18.25
Other Expenses			
Factory supplies and expense	1.13	1.76	1.15
Packing, shipping and delivery expense	0.85	1.52	0.56
Repairs and maintenance	1.97	1.13	2.56
Other factory expenses	0.65	0.41	0.39
Total Other Expenses	4.60	4.82	4.66
TOTAL FACTORY EXPENSES	20.78	18.01	22.91
ADMINISTRATIVE EXPENSES			
Salaries - executive	6.15	4.65	7.14
Salaries - office	2.18	1.37	3.06
Payroll taxes	0.49	0.25	0.39
Employee benefits	0.77	0.95	0.31
Bad debts	0.75	2.01	1.16
Office supplies and expenses	0.80	0.88	0.85
Professional fees	0.92	0.68	0.79
Taxes - business	0.10	0.10	0.09
Telephone	0.74	0.77	1.06
Other administrative expenses	1.97	0.78	1.14
TOTAL ADMINISTRATIVE EXPENSES	14.87	12.44	15.99
SELLING EXPENSES			
Salaries - executive	1.95	3.90	4.64
Salaries and commissions - salesmen	1.43	1.41	1.51
Salaries - sales office clerical	1.12	1.63	0.00
Payroll taxes	0.29	0.35	0.25
Employee benefits	0.25	0.58	0.16
Advertising	1.88	0.94	2.08
Travel and entertainment	0.76	0.56	1.08
Other selling expenses	0.96	1.39	1.00
TOTAL SELLING EXPENSES	8.64	10.76	10.72

** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000		SALES FROM $5,000,000-$10,000,000**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
3.74%	4.20%	5.17%	6.30%
18.70	13.25	10.40	14.94
2.38	0.00	0.00	1.52
0.38	0.82	0.39	0.91
2.13	1.80	1.09	2.02
1.21	1.67	2.70	2.00
28.54	21.74	19.75	27.69
0.00	0.00	0.00	0.00
7.16	3.56	3.78	3.40
0.15	0.00	0.00	0.00
0.17	0.18	0.01	0.30
1.23	0.32	0.30	0.35
4.80	2.94	2.79	4.10
1.30	0.95	0.81	0.66
2.91	4.38	3.64	5.65
17.72	12.33	11.33	14.46
1.11	1.13	1.36	1.22
0.49	1.00	2.10	2.54
1.60	1.25	0.70	4.00
0.86	0.74	0.17	0.40
4.06	4.12	4.33	8.16
21.78	16.45	15.66	22.62
6.38	5.04	3.43	4.92
1.35	2.42	1.43	2.89
0.51	0.63	0.34	0.35
0.94	0.81	1.38	0.74
0.40	1.25	2.35	0.40
0.95	0.58	0.73	0.58
0.83	1.32	0.34	0.87
0.13	0.09	0.19	0.04
0.72	0.52	0.43	0.47
1.56	3.85	1.05	1.94
13.77	16.51	11.67	13.20
0.79	1.38	3.44	1.86
0.47	1.49	0.00	3.64
0.58	3.71	3.08	0.37
0.13	0.57	0.44	0.36
0.12	0.42	0.80	0.44
1.58	2.38	0.99	2.01
0.64	0.71	0.06	0.59
1.00	1.16	2.45	0.50
5.31	11.82	11.26	9.77

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	14.19%	19.96%	12.20%
Receivables	25.49	32.11	26.36
Inventories	7.75	6.57	9.40
Other current assets	1.53	0.94	0.26
TOTAL CURRENT ASSETS	48.96	59.58	48.22
FIXED ASSETS			
Real estate	0.72	0.00	0.00
Less: Accumulated depreciation	0.47	0.00	0.00
	0.25	0.00	0.00
Machinery and equipment	86.89	63.62	94.99
Less: Accumulated depreciation	50.83	35.05	52.59
	36.06	28.57	42.40
Other fixed assets	11.27	13.61	7.76
Less: Accumulated depreciation	4.94	10.16	5.46
	6.33	3.45	2.30
NET FIXED ASSETS	42.64	32.02	44.70
OTHER ASSETS	8.40	8.40	7.08
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	5.82	1.26	8.56
Accounts payable	10.94	10.06	19.40
Other current liabilities	14.22	5.97	15.20
TOTAL CURRENT LIABILITIES	30.98	17.29	43.16
LONG-TERM LIABILITIES	34.98	11.01	48.81
TOTAL LIABILITIES	65.96	28.30	91.97
SHAREHOLDERS' AND PROPRIETORS' EQUITY	34.04	71.70	8.03
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.58	3.45	1.12
QUICK RATIO	1.33	3.07	0.90
TOTAL LIABILITIES TO EQUITY	1.94	0.39	11.45
LONG-TERM LIABILITIES TO EQUITY	1.03	0.15	6.08
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.58	0.55	0.55

** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000		SALES FROM $5,000,000-$10,000,000**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
16.31%	9.62%	10.99%	23.49%
18.26	29.29	26.86	32.59
8.26	7.10	9.14	3.60
0.65	2.45	0.87	4.97
43.48	48.46	47.86	64.65
1.65	0.00	0.00	0.00
1.07	0.00	0.00	0.00
0.58	0.00	0.00	0.00
100.80	72.21	78.13	62.46
61.06	43.53	47.76	30.98
39.74	28.68	30.37	31.48
12.25	14.92	20.12	5.74
2.50	9.80	14.68	2.99
9.75	5.12	5.44	2.75
50.07	33.80	35.81	34.23
6.45	17.74	16.33	1.12
100.00	100.00	100.00	100.00
4.06	8.45	2.45	4.07
6.74	12.86	12.79	6.13
16.32	8.35	5.47	14.14
27.12	29.66	20.71	24.34
37.67	25.02	21.94	18.02
64.79	54.68	42.65	42.36
35.21	45.32	57.35	57.64
100.00	100.00	100.00	100.00
1.60	1.63	2.31	2.66
1.30	1.39	1.87	2.51
1.84	1.21	0.74	0.73
1.07	0.55	0.38	0.31
0.61	0.60	0.61	0.50

SIGNIFICANT FACTS

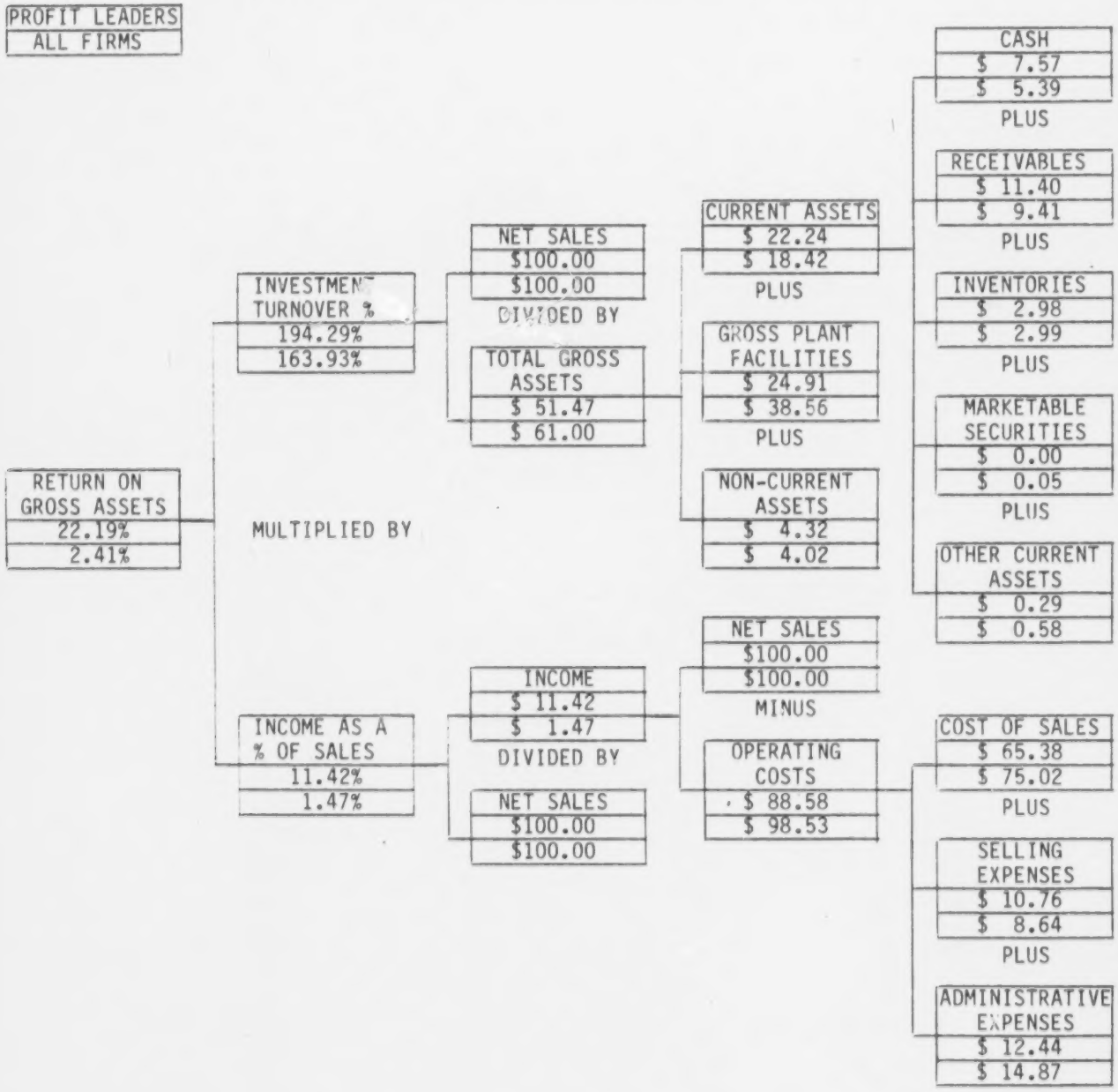
	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 20,450	$ 25,481	$ 14,807
Average assets per factory employee (Excluding Executives)	33,180	41,612	29,345
Average net worth per employee - All employees	7,517	19,214	795
Average gross plant investment per factory employee (Excluding Executives)	29,700	27,694	29,255
Net worth percentage of fixed assets	138.78%	330.25%	34.55%
EMPLOYEES			
Percent factory - All employees	72.62%	71.31%	67.89%
Percent administrative - All employees	17.08	11.79	19.52
Percent sales - All employees	10.30	16.90	12.59
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 50,816	$ 66,428	$ 37,047
Sales per factory employee	73,071	95,610	57,973
Sales less material per factory employee	52,809	69,783	40,765
Sales per administrative employee	331,042	572,013	235,377
EXCLUDING EXECUTIVES			
Sales per employee - All employees	65,221	80,623	54,199
Sales per factory employee	82,899	107,897	69,845
Sales less material per factory employee	59,811	78,809	48,715
SALES PER SALESMAN	300,207	630,634	0
SALES TO CURRENT ASSETS	669%	569%	581%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	41.74%	37.48%	47.44%
Factory payroll percentage of gross plant investment	96.06	109.68	75.69
Payroll per employee - All employees	$ 20,484	$ 24,390	$ 16,795
Payroll per factory employee	18,230	20,452	15,458
Payroll per administrative employee	28,225	42,479	22,416
Payroll per sales employee	22,350	32,378	26,700
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 14,690	$ 14,721	$ 12,389
Payroll per factory employee	14,605	14,037	12,755
Payroll per administrative employee	9,808	13,070	9,410
Payroll per sales employee	12,491	15,989	4,885
EXECUTIVE PAYROLL			
Payroll per executive - All executives	33,669	45,854	23,648
Payroll per factory executive	18,407	32,864	17,989
Payroll per administrative executive	38,440	65,400	22,751
Payroll per sales executive	21,783	62,864	22,920
RECEIVABLES			
Collection period	35.2	42.8	39.8
PROFIT			
Gross profit percentage of sales	24.98%	34.62%	19.06%
Average gross profit per factory employee	$ 22,644	$ 37,338	$ 15,445
Income (loss) before taxes percentage of sales	(0.56)%	11.70%	(10.37)%
Average income (loss) before taxes per employee	$ 811	$ 7,843	$ (2,871)

** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000		SALES FROM $5,000,000-$10,000,000**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 20,879	$ 24,610	$ 30,163	$ 22,267
30,307	43,292	53,002	33,766
6,452	13,358	20,988	13,937
31,241	34,560	41,488	19,746
121.98%	193.76%	293.52%	287.40%
78.31%	64.27%	64.29%	78.83%
17.65	15.95	13.16	12.42
4.04	19.78	22.55	8.75
$ 48,932	$ 61,664	$ 76,181	$ 60,027
64,545	99,330	118,504	76,512
45,653	70,507	80,068	63,365
286,894	420,370	603,782	500,717
64,756	72,749	91,707	72,573
72,412	110,993	134,320	90,758
51,132	78,902	90,830	75,166
106,730	175,000	0	440,317
798%	624%	724%	476%
39.82%	38.21%	34.09%	43.25%
77.56	112.66	65.66	149.76
$ 18,994	$ 22,668	$ 24,690	$ 26,422
17,495	20,339	22,271	21,164
21,603	34,368	40,222	46,444
6,961	36,438	23,561	43,207
$ 14,424	$ 14,822	$ 13,644	$ 17,746
14,785	14,625	13,864	15,682
4,466	13,500	14,010	20,177
2,541	28,607	12,906	31,908
25,791	45,817	48,381	46,759
10,198	28,478	48,381	30,796
22,696	56,991	53,895	87,644
6,393	17,882	44,705	79,023
25.0	39.4	34.2	45.1
20.61%	34.41%	33.26%	32.42%
$ 15,604	$ 38,239	$ 44,377	$ 30,645
(1.90)%	6.40%	10.75%	8.95%
$ (626)	$ 4,524	$ 8,500	$ 5,713

RETURN ON INVESTMENT (ROI) CHART - ALL FIRMS REPORTING

RETURN ON INVESTMENT CHART - BASE: $100 OF SALES



	SALES TO $250,000**	SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000		SALES FROM $5,000,000-$10,000,000**
	ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT					
Current Assets:					
Cash	$ 3.42	$ 6.99	$ 3.31	$ 4.31	$ 9.15
Receivables	10.59	6.75	10.70	9.36	12.11
Inventories	3.59	3.06	3.18	4.59	1.28
Marketable securities	0.00	0.11	0.00	0.00	0.00
Other current assets	0.10	0.24	1.08	0.19	1.73
	17.70	17.15	18.27	18.45	24.27
Plant Investment:					
Land and building	0.00	0.53	0.00	0.00	0.00
Machinery and equipment	37.91	40.92	29.81	26.30	21.66
Other fixed assets	2.99	3.23	5.23	4.32	2.17
	40.90	44.68	35.04	30.62	23.83
Non-Current Assets	3.84	3.17	8.03	8.45	0.41
TOTAL INVESTMENT	62.44	65.00	61.34	57.52	48.51
INVESTMENT TURNOVER PER $100 OF SALES	160.15%	153.85%	163.03%	173.85%	206.14%
EARNINGS					
Cost of Product	$ 80.94	$79.39	$65.59	$66.74	$67.58
Selling Expenses	10.72	5.31	11.82	11.26	9.77
Administrative Expenses	15.99	13.77	16.51	11.67	13.20
	107.65	98.47	93.92	89.67	90.55
Income (Loss) Before Interest, Other Income (Expense), and Taxes	(7.65)	1.53	6.08	10.33	9.45
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	(12.25)%	2.35%	9.91%	17.96%	19.48%

** Sample insufficient for Profit Leaders.

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	23	$422,000	$1,095,000	$ 69,000
TOTAL - PROFIT LEADERS*	4	955,000	2,434,000	305,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$250,000	5	85,000	205,000	(19,000)
$250,000-$500,000	10	167,000	363,000	(7,000)
$500,000-$1,500,000	5	382,000	964,000	49,000
$5,000,000-$10,000,000	2	2,501,000	6,692,000	659,000
PROFIT LEADERS				
$500,000-$1,500,000	2	230,000	622,000	67,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales: Firm's Ratio Factory Payroll	% of Sales: PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages.

BASIC GUIDE TO USING YOUR QUICK PRINTERS' RATIO STUDY

You have to know where you stand to make accurate decisions concerning your future. This guide to the ratio study, provided by the American Quick Printing Association, will give you a brief explanation of the purpose of the ratio study and a basic procedure to use to assess information about your shop.

The PURPOSE of the Quick Printers' Ratio Study is to serve as a guide to problem areas in your shop which can inhibit your growth and profitability. The study pinpoints:

- Where other quick printers of your sales volume are financially.
- Profit leaders in your sales volume.
- Problem areas, specifically from paper costs to getting a return on your investment.
- Significant facts expressed both in dollar amounts and percentages that pinpoint areas that need your attention.

WHY RATIOS? The Report on Operations and the Supporting Schedules are presented in percentage form based on sales while the Balance Sheet is presented in percentage form based on total assets as a base of 100%. Therefore, convert your statements to percentages of your sales volume or total assets to make specific comparisons. The PIA Ratio Study Program utilizes percentages because dollar amounts can vary for each quick printing shop, but percentages using sales volume or total assets as a base of 100% provide a common denominator for more accurate comparison.

THE BASIC PROCEDURE to use the Quick Printers' Ratio Study is to prepare your Statement of Operations and Balance Sheet, based on percentages. You can do this, one item at a time comparing each item as you progress...or convert your information at one time, then compare taking special note of problem areas. If you participated in the study, it is a good idea to get your copy of your input and the Chart of Accounts provided by PIA to refresh your understanding of the data.

Compare your percentages to the profit leaders in your sales volume category. If you see a large discrepancey in a particular area, multiply and convert the figures back to dollars, using your sales volume as a base, to get the actual cost of this problem area to your shop. By using this comparison, the study can give you specific direction as to where you can increase your current profits by focusing more effective management controls on areas that are not pulling their weight in your operation.

You now have a standard to investigate and improve your operation. Now that you are familiar with the use of this study, as you participate each year, make it a habit to thoroughly check your shop at least yearly to see how you measure with your peers in each of the categories.

KEEP IN MIND in working with this data, that when you participate, your firm's individual ratios are computed, then combined with individual ratios of other similar firms, rather than being based on a total dollar sum percentage for a group of companies. The result is a more representative ratio of the quick printing industry on a "common size basis"...where your shop is directly reflected and also used to evaluate other operations. A more specific guide, going step-by-step through a sample firm evaluation, is available in the first volume of the PIA Ratio Studies.